

13. (C) Thanh attended meetings with senior leaders during which it was decided that the two large bauxite mining projects approved for the Central Highlands provinces of Lam Dong and Dak Nong will not go forward as planned due to the environmental and political concerns described in Refs B and C. Rather than canceling the projects outright, the Politburo has tasked the National Assembly with coming up with a plan under which two small-scale pilot projects can go forward without direct foreign investment and without employing large numbers of foreign laborers. After a few years, Thanh added, the environmental impact of the projects will be reviewed and a decision made

regarding whether large-scale bauxite mining should be pursued.

14. (C) Thanh framed the senior-level discussion over bauxite mining as part of a larger -- and in his view very welcome -- discussion over the trade-offs between rapid economic development and growth. He said that a number of top leaders from the Ministry of Natural Resources and Environment (MONRE) as well as the Ministry of Planning and Investment (MPI) have been working to educate senior party leaders concerning the inherent risks in focusing too heavily on annual GDP growth as the primary indicator of the success of economic policies. Thanh said that the realization is growing that industrial projects that result in long-term environmental degradation ultimately do more harm than good by reducing the earnings and even physical health of the of the majority of the Vietnamese population still engaged in agriculture and fishing. He said rising income disparity is also linked to too heavy an emphasis on annual growth as measured by the GDP. While he does not expect any concrete changes until after an improving world economy facilitates sustained growth in Vietnam, in the longer term he believes that the consensus is there for the leadership to accept somewhat slower rate of GDP growth (reduced by one to two percent a year) in exchange for better attention to environmental controls and support for rural development.

#### NO TO THE ENCIRCLING WALL

15. (C) Thanh stated that global climate change is also serving to focus top-level CPV attention on the environment. During a trip to Hanoi two weeks ago to take part in preparations for this session of the National Assembly, he said that he participated in a lively exchange with economic, security and environment leaders on the question of how best to protect the Mekong Delta from the impacts of climate change. Noting that salt intrusion into the Mekong river system has increased by over 60 kilometers in the past year alone, Thanh said that senior leaders are now seized with the issue of how to cope both with global warming and the looming completion of hydroelectric dams farther north that will disrupt the natural flow of the Mekong. One of the leading proposals for the past few years has

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focused on building a mammoth system of dikes and levees to encircle the entire Mekong Delta. Luckily, Thanh added, growing realization of the scale of global warming as well as helpful advice from Dutch advisors have undercut support for this costly and ultimately futile approach to combating climate change. Instead, MONRE and the MOST have been tasked with coming up with more sustainable options, including restoration of Delta ecosystems and changes to development patterns.

#### QUIET DISCUSSIONS OF A DEMOCRATIC FUTURE

16. (C) Notwithstanding General Secretary Nong Duc Manh's recent pronouncements on the dangers of "peaceful evolution" and "self-evolution" (Ref D), Thanh said that the number of senior CPV members in the Central Committee and the National Assembly who are willing to discuss the possibility of a democratic future for Vietnam is growing. Thanh said that his dialogue with PM Dung has reached the point where he has been able to tell him directly that human rights and democracy are not "Western concepts" but universal human aspirations.

17. (C) Asked if he had made similar statement to General Secretary Manh or other Politburo members, Thanh replied that "like a son trying to educate his father," one must work patiently but consistently to slowly change attitudes among senior party members. Thanh added that directly lecturing conservative party leaders on democracy and human rights would only harm his relationship with them. Instead, Thanh said that he and others approach these broad issues one small step at a time, citing the Politburo's almost 180-degree change in attitude toward persons who warned of the environmental and security implications of Chinese bauxite mines in Vietnam as an example of an important success. Despite the on-going crackdown on newspapers that report too freely, Thanh said that the issue

of the bauxite mines has demonstrated the importance of an active press to keeping top leaders informed of the needs and concerns of the Vietnamese people.

COMMENT

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18. (C) Like a number of other former senior officials who rose to prominence under former Prime Minister Vo Van Kiet, Thanh is becoming increasingly critical of the party-dominated system of government he helped build. Others, such Pham Chi Lan and Le Duong Doanh, both of whom are former economic advisors to Kiet, are even more critical of current GVN policies. In private conversations with CG over this past week, both Doanh and Lan complained that PM Dung is "as bad as the rest of them" in blocking needed reforms that would streamline the economy and reduce corruption at the cost of weakening the power and perks of senior CPV members. Of the three, however, Vo Viet Thanh appears to be taking the more cautious -- and in his view more effective -- route to pushing for reform. END COMMENT.

19. (U) This cable has been coordinated with Embassy Hanoi.  
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